What High Street Chains Can Do to Innovate Customer Experiences

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It's no secret online shopping is at the forefront of the retail industry. But despite its continuous growth, in-store shopping remains popular.

47%

47% of UK consumers still prefer to shop on the high street compared to online shopping. While this stat is excellent to see, we do have to mention retail footfall hasn't fully recovered to pre-pandemic levels, but it's getting there.

In 2023, footfall rose 3.3% despite the cost-of-living crisis and rail strikes, yet it was still down 11.5% compared to pre-pandemic levels.

Delving deeper into this, Gen Z (ages 18-24) ranks second among generations in their preference for in-store shopping, with 63% favouring it. They're just behind the 69% of those aged 65 and over who prefer shopping in physical stores.

What can we learn from this?

The primary reason in-store shopping is popular is the immediate availability of products and the ability to see and try products before purchasing. Many consumers also value the social and experiential aspects of shopping that are difficult to replicate online.

Shoppers are increasingly looking for a hybrid shopping experience that combines online and in-store elements. Click-and-collect services have become more popular, allowing consumers to purchase items online, pick them up in-store or from on-site lockers.

High street stores have to shift their mentality and embrace change. This eBook will explore some of the latest innovations retailers are utilising to entice customers through their doors.

Contents

Exploring changing consumer trends in the digital age

Consumers wield unprecedented power in the digital age. Thanks to smartphones, shopping has become rapid, effortless and convenient. We can summon a pizza, procure a fresh ensemble or plan a vacation from the comfort of a WiFi-enabled bus seat. This convenience is unparalleled, but it's not the whole story. With all this at our fingertips, why would we ever need to go to the shops physically?

This apathy towards the high street is just one of the trends we're seeing from consumers. Physical stores offer fewer choices than online, and there's always the risk that you won't find exactly what you need.

When you last needed something, did you head to the shops or search for it on Amazon? Digital alternatives allow us to find exactly what we need after a Google search that takes milliseconds.

However, if consumers were solely shopping online, then there wouldn't be the high street success stories that are the exception to the rule. Consumer trends are changing, but that doesn't mean completely abandoning physical stores.

Under the right circumstances, physical stores can't only survive but also thrive. The key lies in understanding what customers truly desire. It isn't just about the products or services offered; it's also about the user journey created for them when they step through the doors.

Consumers prefer something other than the traditional shopping experience; they want something personal and shareable.

A recent campaign that drew shoppers in-store for a unique experience was Record Store Day 2024. This annual event, celebrated across the UK by independent record shops, featured exclusive vinyl releases, in-store performances, and special events.

Notably, the "Sounds from the Studio" experience at the Victoria and Albert Museum allowed visitors to enjoy their Record Store Day purchases on high-end Bowers & Wilkins speakers surrounded by medieval tapestries, enhancing the overall shopping experience. This campaign highlighted the appeal of in-person shopping through exclusive, immersive activities.
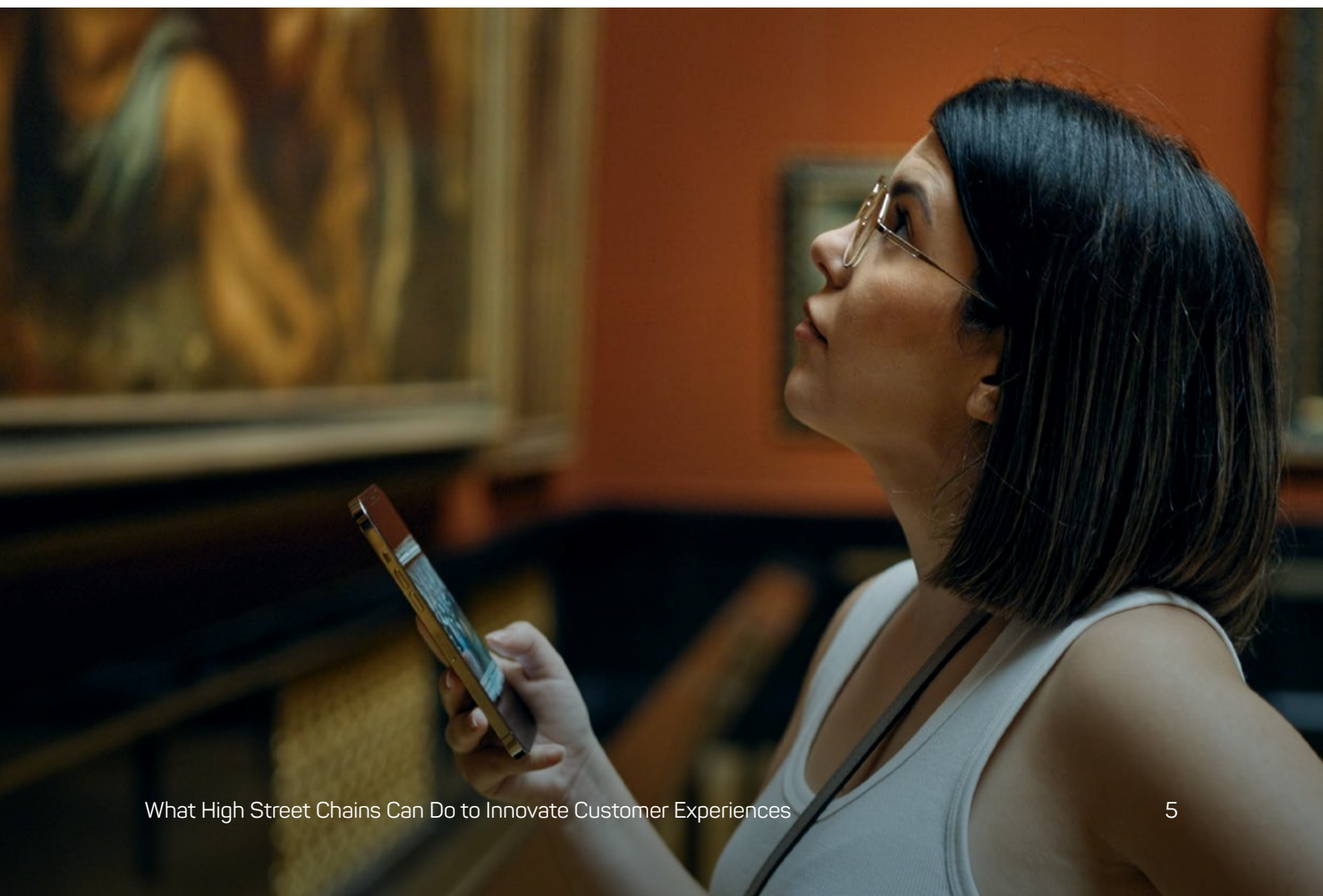
Common challenges for large retailers and retail park owners

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Low consumer spends

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Shifting to meet customer demand

No one can predict the future. However, online businesses are, by nature, more equipped to deal with sudden changes in market demand.

Physical stores don't have the same luxury. If they make the wrong prediction about a passing trend, they can be left with too much stock that's difficult to shift.

Digital disruption

Online shopping isn't a brand-new challenge, but it continues to cause serious problems.

Not only are consumers choosing to stay at home and buy online, but some shoppers also decide on a product they like in-store only to find the best possible deal elsewhere.

Staff costs

The retail industry has very high staff turnover rates. Hiring and training new staff members is less efficient than retaining talented individuals. New employee hiring cycles cost money and energy that could be better spent elsewhere.

Meanwhile, the government's National Living Wage and high business rates make the costs of having a brick-and-mortar store a real challenge for retailers.

Maintaining a loyal customer base

Attracting new customers is good, but converting existing ones into loyal advocates of your brand is even better. They're a regular source of revenue for your business and are more likely to tell their friends about you.

Loyal customers are created when you go above and beyond for them. If you can delight them and make them feel special even after they've made their purchase, you'll find they'll return in the future.

Creating greater connections with customers through personalisation

Omnichannel personalisation allows your business to develop deep and meaningful connections with customers. This is the practice of creating unique and personalised customer experiences based on real-time data you've collected.

Personalising a customer's interaction with your brand across multiple channels shows you're consistently committed to going the extra mile for every customer.

Spotify

The music streaming platform Spotify uses its algorithms to create personalised playlists they think you'll enjoy based on your previous listening habits.

Each week, users receive their recommendations and can discover new music. This personalisation is part of the reason Spotify has around 615 million monthly active users.

It's undeniable how big Spotify Wrapped is, with users sharing their top-played artists throughout the year thanks to Spotify's data.

Starbucks

When you order a coffee, the Starbucks barista will ask your name to be written on the side of the cup. This is more than just a way of ensuring the right person receives the right coffee — it's a form of personalisation. Each customer feels their coffee has been specifically created for them, and that's true with so many options available.

There's also a theory that so many people find their name misspelled on the side because it's intentional. Starbucks wants you to take a picture of the 'mistake' and share it with your friends on social media. Free advertising!

Graze

Healthy snack provider Graze tailors the boxes it sends based on customer data. Customers are asked simple questions and Graze uses this information to send healthy treats it knows they'll love.

With 20 million snack combinations possible, customers love knowing they're unlikely to receive the same treats as others. These examples all highlight the benefit of taking the time to understand your target audience.

Whatever your business size, personalising the customers' experience and showing how much you value their time and money will more likely convert them into loyal brand advocates.

The rising demand for experiential retail

Customers no longer want to walk into a shop, buy something and leave. They can do this from the comfort of their homes—without facing queues and weekend shoppers.

Today, customers are seeking a combination of entertainment and retail—experiential retail. They want a store that understands their likes and gives them a truly personalised experience.

In the past, salespeople held all the power. They had the information buyers needed and businesses could use traditional methods, like print marketing and television advertising, to get their message across.

Fast-forward to today. The internet, smartphones and social media have changed everything. The power now lies with buyers, who have all the information they need at their fingertips.

Today's consumers want to be impressed and have a short attention span. They can easily keep walking by or scrolling on social media if you fail to grab them.

Three examples of experiential marketing

Ikea

Ikea's Big Sleepover event allowed lucky customers to spend the night in one of their stores. They enjoyed product demonstrations and tried some of Ikea's mattresses and beds.

Say you're looking to buy a new mattress. Plenty of websites and brochures outline the importance of high-quality box springs, mattress toppers, and bed frames.

Are you going to fall in love with a mattress on a website? Probably not. An event like the Big Sleepover grabs the attention and increases the chances of someone wanting one from Ikea.

Image Credit

Red Bull Stratos

Red Bull's Stratos event was a highly publicised campaign where Felix Baumgartner performed a record-breaking skydive from the edge of space.

The event was live-streamed globally, creating an exciting and memorable experience for viewers. This extreme, high-profile event helped reinforce Red Bull's brand image as adventurous and cutting-edge, generating significant media coverage and social media buzz.

Image Credit

Barbie selfie generator

The [Barbie selfie generator](#) campaign allowed users to upload their selfies and see themselves in iconic Barbie settings alongside characters from the Barbie universe.

This AI-driven, online personalisation campaign created a fun and engaging experience that encouraged users to share their results on social media, thus extending the campaign's reach and enhancing brand interaction.
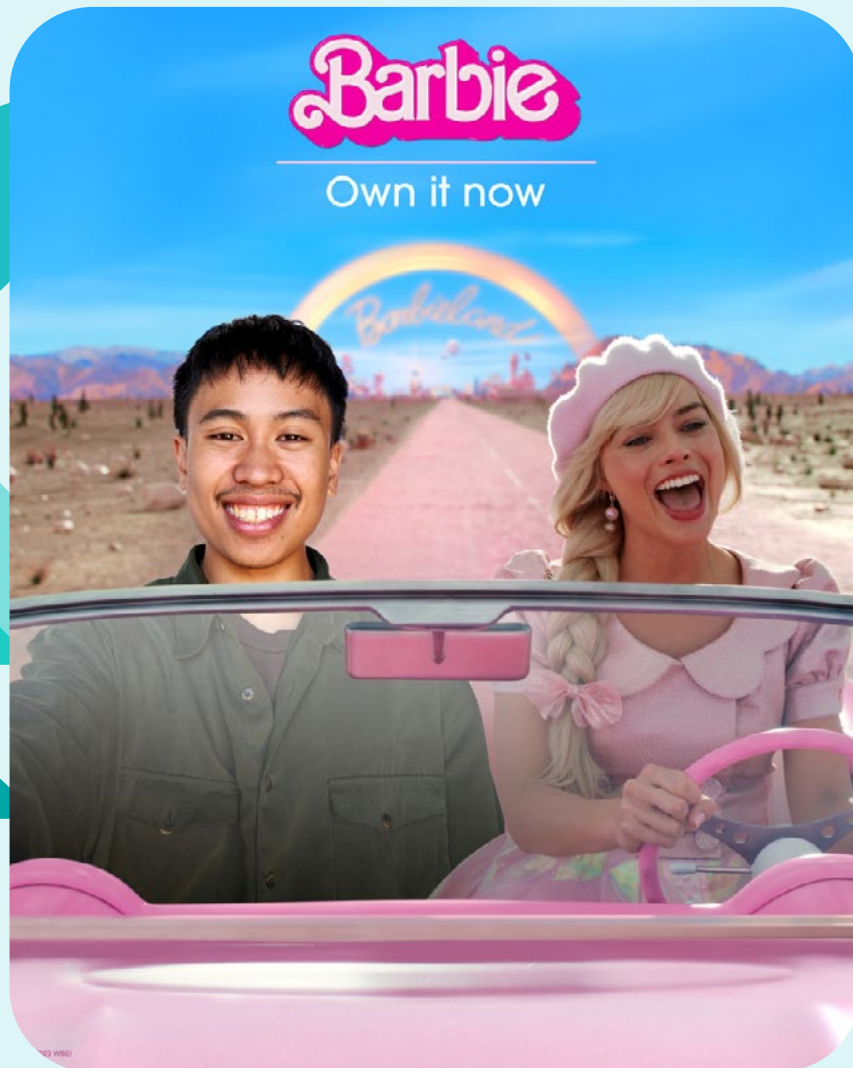

Image Credit

Technology trends that are transforming the retail industry

Retailers are turning to technology for innovative ways of improving the customer experience. These are some of the trends transforming the industry and encouraging shoppers to visit retailers' doors.

Augmented Reality (AR)

Using a smartphone camera, AR blends what you see with added information or content on your screen. It's an engaging, interactive experience of a real-life scenario that envisages the product shoppers might buy.

It was most famously used by Pokémon GO, the mobile AR game that got everybody out of the house in 2016, but it offers genuine positives for the retail industry.

Whether it's a pair of trainers or a car, AR can nudge shoppers into buying something. For example, Converse introduced The Shoe Sampler, which allowed shoppers to see what the shoes would look like on their feet without actually buying them.

Audi's use of VR allowed them to launch a customised experience. Virtual showrooms are more dynamic and interactive. Immersing customers in this way can drive them to make a purchase and drive footfall by creating a buzz on social media.

Interactivity

Interactive retail displays create immersive experiences that stay with customers after they've left your store. They can be for an inventory display, digital storytelling or anything that captures the attention of passersby.

Tiffany & Co. added a vending machine with products that offer shoppers a unique experience, rather than just taking products off the shelf.

Meanwhile, UGG footwear has utilised interactive signage systems which allow in-store customisation using RFID technology. Interactive in-store innovations enable continuous operations as they can inform, serve and keep customers engaged.

Pick up and go

Self-checkouts might have been revolutionary some years ago, but times have evolved, and retailers are removing checkouts altogether. Customers pick up the products they want and leave, while an app automatically charges their bank accounts.

Amazon paved the way with its Amazon Go store. The store uses computer vision, deep learning and sensor fusion technology to automate the payment and checkout.

Nike has followed suit with the Speed Shop. Customers reserve shoes online to try on in-store. They can also arrive in the store (through a dedicated entrance), find a locker with their name on it, and unlock it with their smartphone. They can then use mobile checkout and quickly leave, making the shopping experience even more convenient.

Virtual fitting rooms

Only some shoppers have the time or the patience to queue up and wait for the fitting rooms to be available. One innovative way retailers can combat this issue is by introducing virtual reality fitting rooms where shoppers can envisage the items they want to buy.

This technology allows people to get an instant, accurate representation of what products will look like and how they'll fit. This also makes the fitting room system more efficient.

Adidas previously created VR changing rooms as a body scanner, allowing shoppers to make risk-free purchases without returning items.Amazon has an app for VR dressing rooms that uses a mix of displays, cameras and projectors.

Gap has also teamed up with Google in a similar initiative to eliminate fitting rooms in the hope it can take over retail stores soon.

Online and offline shopping history track

Combining online and offline channels can improve the retail industry. For example, retailers can implement terminals in-store where customers can search online to see if products are in stock and where they're located.

This is helpful as many shoppers check online stores to see if something is in stock.

Another innovation would be if stores introduced a way for people to enter a store, approach an item they previously looked at online and then receive a push notification through an app or email to their inbox.

This can drive further sales as it reduces the chances of customers forgetting items or persuades them into making an impulsive, last-second purchase. Providing this information can also impact dwell time, share targeted offers and incentives and encourage returning visitors.

The importance of building communities and how to do it

A business can become more than a faceless brand and mean more to individuals. By creating a community of customers, you can cement the brand's popularity with a group of people.

One way you can do this is by hosting regular real-life events. That way, a business can be the basis of genuine relationships.

Customers can start to get to know each other and look forward to future events and interactions. These positive feelings can translate into a stronger brand identity and an increase in revenue.

You can also use social media and other digital technologies. For example, if you collect information via WiFi, you can better understand what customers want and don't want from a business.

Use this information to change your business strategy and base events around them. If a store is most busy on a Friday evening, host a fun and engaging event the following Friday.

Something as simple as a one-hour flash sale can create excitement and make customers feel as though they're personally being rewarded.

Encourage customers to follow your brand on social media or enter their email addresses before entering the sale. This will increase your online profile and create a community of happy shoppers.

This is just one example of a fun consumer experience being used for so much more, but the possibilities are endless — both on social media and in real life. Use data to make smarter decisions, not just to boost business performance but also, crucially, to improve customer experience.

The more a business does this, the more likely it is to gain a reputation for being an engaged, rewarding brand that goes the extra mile for its customers. This kind of publicity is precious and can attract many new customers.

> Don't forget to deliver value to those early adopters who've been loyal from the beginning. They're a tremendous asset to businesses and should be treated as such.

The evolving last mile – delivery, data and analytics

Consumers can order online and track it from the distribution centre to their doorstep, so physical stores must compete with this convenience and ease of use.

Online stores use real-time data and information to improve the consumer experience. There's no reason physical stores can't do the same. Powerful data can help retailers make smarter business decisions.

Digital retailers have a much easier time collecting this information, but brick-and-mortar stores can collect vital analytics from their shoppers. This information tells the retailer how often they shop with them and where they spend their time in the store.

Dwell times have always been useful in determining which areas of a store perform well and which don't. Retailers must use this data intelligently and make it a key part of all future decisions.

For example, data can allow retailers to measure the results of store experiments to determine the most effective. This information might also present possible gaps in the products or services you offer, allowing you to make changes to your current offerings.

Physical retailers have slowly implemented data analytics technology or any process that considers consumer data. Think about how many shoppers use their phones within a store to call friends, browse social media, or conduct product research online.

With an effective WiFi platform, businesses can allow consumers to connect to the internet and harness their data for future decision-making. At SPARK TSL, we offer a revolutionary WiFi platform that can do just that.

Our platform includes features like content filtering and analytics tools to give you complete control over your customers' connectivity. The analytics features are GDPR compliant and give your business insight into data such as new vs returning users, device types and session data.

High-street stores might already have wireless networks, but they aren't maximising their potential. Using the robust wireless infrastructure that's already in place, we can help you harvest new insights that were previously missed. An overlay fromSPARK TSL would allow them to generate rich insights. This will better inform business decisions, which, in turn, will boost customer loyalty.

All of this data can inform future business decisions and lead to innovations that will positively transform the experiences of customers who walk through your doors.

Ready to increase repeat business and boost customer engagement?

The more engaged a customer is, the more likely they are to become a loyal brand advocate. SPARK TSL offers a comprehensive suite of solutions to enhance customer engagement and foster lasting relationships.

From traditional methods like newsletters to innovative alternatives such as loyalty schemes, we provide the tools you need to connect with your customers effectively. Our free engagement guide explores these tactics and offers valuable insights and statistics to help you improve shopper satisfaction.

By leveraging our advanced features, including single sign-up processes, unified user profiles and a robust analytic portal, you can streamline customer interactions and gain deeper insights into their behaviours and preferences.

Download your free copy of our customer engagement guide today and discover the steps you need to take to build long-lasting relationships with consumers. Let SPARK TSL equip you with the capabilities to transform customer engagement and turn shoppers into loyal brand advocates.

Download the guide

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